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April 30, 2014

ESTABLISHED 1911

D. LOGAN GIFFIN
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(1903-1987)

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(1921-2013)

Illinois Liquor Control Commission
Attn: Richard Haymaker
100 W. Randolph, Ste. 7-801
Chicago, IL 60601

Re: **Draft Rules**

Dear Mr. Haymaker:

We have received and reviewed on behalf of the Associated Beer Distributors of Illinois (ABDI) the Commission's proposed Rules identified as Part 1, Chapter 1 "Liquor Control Commission." We will consider Rules suggesting modification by referencing Sections and subparagraphs.

Section 100.5(b) (c)

Subpar. (b) in substance provides that a person before being exempt from the provisions of the ILCA must solely engage in the manufacture, importation, distribution or sale of products containing .5% or less of alcohol by volume (NA products). Subpar. (c) provides the obvious in that a person engaging in the manufacture, importation, distribution or sale of alcoholic products is subject to the provisions of the ILCA. Therefore, based on subpars. (b) and (c) a person engaging in the sale and distribution of both alcoholic and NA products will be subject to Commission regulation with respect to both alcoholic and NA products, including when furnishing of value items in connection with the sale of NA products.

It is the position of ABDI that the above position is contrary to the intent and purpose of the ILCA. ABDI offers the following additional provisions for consideration:

"A person engaged in the manufacture, importation, distribution or sale of both alcoholic liquor products and products containing .5% or less of alcohol by volume will be subject to the provisions of the ILCA solely with respect to the sale and distribution

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Attn: Richard Haymaker
April 30, 2014
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beverages

of alcoholic liquor product and not with respect to the sale and distribution of products containing less than .5% alcohol by volume or the furnishing of ~~items~~ of value in relation to the sale and distribution of ~~products~~ containing less than .5% alcohol by volume."

Section 100.430 "Craft Brewer Self-Distribution"

ABDI recommends the addition of subpars. (h) and (i):

"(h) A maker of beer in accordance with Section 3-12(18)(B) must submit an affidavit that demonstrates with specific evidence its efforts to contact distributors for the purpose of establishing distributor relationships.

(i) In the event the Commission within 45 days after posting the application on the Commission's website receives requests from distributors stating an intent to enter into or establish a distributor relationship with the maker of beer, the Commission shall notify the maker of beer of the requirement to establish a distributor relationship and postpone authorizing the sale to retailers. In the event the beer maker fails to establish a distributor relationship, the beer maker must reaffirm compliance with the provisions of above subpar. (h).

Section 100.450 "Consignment Sales"

ABDI, in conjunction with industry members are addressing the proposed "Consignment Sales" Rules. The Code of Federal Regulations (27 C.F.R. 11.22) was drafted pursuant to the Federal Alcohol Administration Act. Since the Federal Alcohol Administration Act in many respects does not parallel the provisions of the ILCA, the attempt to adopt the CFR Rules results in the proposed Rules being inconsistent with and contrary to the ILCA.

ABDI respectfully requests that the Commission defer Section 100.450 and Section 100.460.

Respectfully submitted,

ASSOCIATED BEER DISTRIBUTORS
OF ILLINOIS


By Its Attorney

HGB:pa

cc: Ivan Fernandez

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